

BellSouth Telecommunications, Inc.

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Guy M. Hicks General Counsel

May 2, 2000

VIA HAND DELIVERY

Honorable Gary Hotvedt, Hearing Officer Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, Tennessee 37243

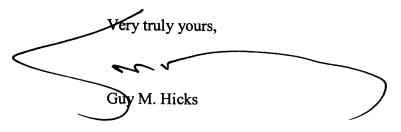
Re:

Petition for Arbitration of BlueStar Networks, Inc. with BellSouth Telecommunications, Inc. Pursuant to the Telecommunications Act of 1996 Docket No. 99-00945

Dear Mr. Hotvedt:

Last week, BlueStar submitted a revised Joint Issues Matrix to you. By agreement of the parties, Issue 14 was deleted from the Issues Matrix. This will confirm that in lieu of asking the Arbitrators to rule on Issue 14, which deals with BellSouth's proposed self-effectuating enforcement mechanisms, the parties have agreed to accept the Arbitrators' final decision regarding this issue in the DeltaCom proceeding, Docket No. 99-00430, subject to the parties' rights to challenge and/or appeal the decision.

Counsel for BlueStar has authorized me to file this letter on BlueStar's behalf.



GMH/jem

cc:

Michael Bressman, Esquire Henry Walker, Esquire